

Dennis F. Dunne (admitted *pro hac vice*)
Samuel A. Khalil (admitted *pro hac vice*)
MILBANK LLP
55 Hudson Yards
New York, New York 10001-2163
Telephone: (212) 530-5000
Facsimile: (212) 530-5219

and

Gregory A. Bray (SBN 115367)
Thomas R. Kreller (SBN 161922)
MILBANK LLP
2029 Century Park East, 33rd Floor
Los Angeles, CA 90067
Telephone: (424) 386-4000
Facsimile: (213) 629-5063

*Proposed Counsel for the Official Committee
of Unsecured Creditors*

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION

- and -

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

Case No. 19-30088 (DM)

Chapter 11

(Lead Case)

(Jointly Administered)

**STATEMENT OF THE OFFICIAL
COMMITTEE OF UNSECURED
CREDITORS IN SUPPORT OF ITS
APPLICATION FOR AUTHORITY TO
RETAIN AND EMPLOY CENTERVIEW
PARTNERS LLC AS INVESTMENT
BANKER EFFECTIVE AS OF FEBRUARY
15, 2019**

- ☐ Affects PG&E Corporation
- ☐ Affects Pacific Gas and Electric Company
- ☒ Affects both Debtors

** All papers shall be filed in the Lead Case,
No. 19-30088 (DM).*

Date: May 8, 2019
Time: 9:30 a.m. (Pacific Time)
Place: United States Bankruptcy Court
Courtroom 17, 16th Floor
450 Golden Gate Avenue
San Francisco, CA 94102

Re: Docket No. 1213

BACKGROUND

1
2 1. On February 15, 2019, after interviewing numerous investment bankers, the
3 Official Committee of Unsecured Creditors (the “Committee”) appointed in the jointly
4 administered chapter 11 cases of the above-captioned debtors (the “Debtors”) selected Centerview
5 Partners LLC (“Centerview”) to serve as its investment banker. Since that time, the Committee
6 and its professionals have worked closely with Centerview on numerous issues, and Centerview
7 has gained critical knowledge of the Debtors’ businesses and these cases.
8

9 2. The Committee filed its *Application to Retain and Employ Centerview Partners*
10 *LLC as Investment Banker, Effective February 15, 2019* (the “Application”) [Docket No. 1213] on
11 April 3, 2019. As part of the application process, Centerview conducted a rigorous conflict search
12 and, as a result, and in compliance with its disclosure obligations under Bankruptcy Rule 2014,
13 Centerview named over 62 “Potential Parties-in-Interest” with which it had connections.
14 Centerview also disclosed that it had advised “several [additional] Parties-in-Interest and/or their
15 affiliates” (the “Confidential Parties”), but did not specifically identify those entities “due to
16 confidentiality obligations owed to such entities.” Centerview further stated that “Centerview’s
17 work for each of [the Confidential Parties] is or was on matters that are wholly unrelated to the
18 Debtors or these cases.” See Declaration of Samuel Green, Schedule 2 at 4.
19

20 3. The Committee understands that, following the filing of the Application,
21 Centerview contacted the Office of United States Trustee (“US Trustee”) to discuss possible
22 disclosure of the identities of the Confidential Parties to the US Trustee pursuant to section 107(b)
23 under seal and that the US Trustee did not believe that filing a list of the Confidential Parties under
24 seal would satisfy Centerview’s obligations under Bankruptcy Rule 2014. Subsequently, on April
25 15, 2019, the US Trustee filed its Objection to the Application (the “Objection”) [Docket No.
26 1376] asserting, among other things, that Bankruptcy Rule 2014 requires professionals to file a
27
28

1 verified statement listing “all of the person’s connections” to the debtor, creditors, and any other
2 parties in interest. Objection at 2. No other party objected to the Application.

3 **RESPONSE**

4 4. The Committee urges the Court to overrule the Objection. While the Committee
5 understands the concerns of the US Trustee and acknowledges the importance of disclosure and
6 transparency in bankruptcy cases, the Committee believes that Centerview’s proposed solution –
7 to file the list of the Confidential Parties under seal – makes sense under the circumstances and
8 satisfies the requirements of Bankruptcy Rule 2014. Contrary to the US Trustee’s assertion,
9 Bankruptcy Rule 2014 is not explicit in demanding that all connections of a professional must be
10 disclosed publicly. In fact, the US Trustee itself mentions in footnote 3 of the Objection that
11 parties are permitted in certain instances to meet their disclosure requirements by filing the names
12 of confidential parties under seal. Moreover, an absolute requirement to disclose commercially
13 sensitive and confidential matters would require all investment bankers to choose between
14 representing clients involved in bankruptcy proceedings or maintaining their other clients’ privacy.
15 Such a result could seriously discourage qualified advisors from taking on restructuring
16 engagements for fear of being compelled to make public disclosures that could prove harmful to
17 other firm clients.

18 5. Centerview is a corporate advisory firm that, among other things, provides
19 corporate advice including advice on mergers and acquisitions and restructurings. Such
20 representations are often high-profile and their very disclosure before the deal becomes public
21 could not only move markets, but could also lead to investor speculation, violate securities laws
22 and/or disrupt a deal. The US Trustee’s insistence on public disclosure of confidential matters is
23 problematic because the disclosure of the identities of the Confidential Parties could potentially
24 affect markets involving such parties or have other similar unintended consequences. This would
25
26
27
28

1 be an unacceptable result particularly where these transactions have nothing to do with the
2 Debtors' bankruptcy cases and do not represent a situation where a party is attempting to skirt the
3 disclosure requirements or attempting to hide a disqualifying connection. Rather, Centerview
4 contacted the US Trustee immediately after filing the Application to discuss a process through
5 which it could comply with its disclosure requirements while at the same time maintaining its
6 confidentiality obligations to the Confidential Parties.
7

8 6. Moreover, other courts in other jurisdictions have permitted Centerview to file
9 under seal the name of its confidential client engagements. See In re CTI Foods, LLC, Case No.
10 19-10497 (CSS) (Bankr. D. Del. April 8, 2019) (granting *Motion to File Certain Confidential*
11 *Information Under Seal* where like here, Centerview's Confidential Information constituted
12 clients' names, because there was a valid basis under Section 107(b) and the redactions were
13 narrowly tailored to apply to only the most sensitive information). The Committee does not believe
14 this situation calls for a different result.
15

16 7. Given these facts, the Committee believes that Centerview should be permitted to
17 file the names of the Confidential Parties under seal and continue with its engagement.

18 WHEREFORE, the Committee respectfully requests that the Court: (i) overrule the
19 Objection; (ii) approve the Application; and (iii) grant such other relief as is just and proper.
20

21 Dated: April 22, 2019
22
23

24 **MILBANK LLP**

25 /s/ Thomas R. Kreller
26 DENNIS F. DUNNE
27 SAMUEL A. KHALIL
28 GREGORY A. BRAY
THOMAS R. KRELLER

*Proposed Counsel for the Official
Committee of Unsecured Creditors*